

What is claimed is:

1. In combination in a novel investment vehicle comprising:
 - a debt security providing a fixed income return for a pre-set period of time that further provides an equity conversion arrangement for a select underlying equity security based on future contingent events;
 - 5 a derivative instrument coupled to said debt security providing an option to purchase shares at a select price at a future date, wherein said derivative instrument is itself contingent and may be canceled prior to said future date and payment for said derivative instrument is provided on an installment basis, with future payment obligations extinguished upon cancellation.
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2. The novel investment vehicle of claim 1 wherein the debt security is a convertible bond.
3. The novel investment vehicle of claim 2 wherein the underlying security is for equity in an Issuer for said convertible bond.
4. The novel investment vehicle of claim 1 wherein the future contingent event is the matching of said underlying equity price to a pre-set value.
5. The novel investment vehicle of claim 3 wherein said derivative instrument is a callspread option having a strike price equal to a conversion price of said convertible bond.
6. In combination in a data processing system for implementing and managing investment vehicles configured to alter equity dilution on select debt instruments, said system comprising:
 - a. Data input and storing platform in communication with information relating to equity-linked securities including total amount, yield, and conversion price of said securities;
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 - b. Processor connected to and in communication with said input platform for receiving said information and selectively creating said investment vehicle, wherein said investment vehicle favorably alters the risk of equity dilution by coupling said security to a callspread option, and said processor further provides pricing and hedging information for output to a system user wherein said callspread option is funded by a cancelable payment stream.
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7. The data processing system of claim 6 wherein at least some part of said payment stream is a reversible swap of coupons from said security, in exchange for a lowered, effective conversion price.

8. The system of claim 6 wherein said output includes a hedging position determined from said callspread option.

9. A novel investment method implemented by an investment administrator and/or Broker-Dealer comprising an arrangement with an Investor of an asset-linked convertible security having associated therewith a conversion price for said asset, and a payment stream extending for a select period into the future, said arrangement comprising a reversible swap for said payment stream in exchange for a lower effective conversion price.

10. The novel account of claim 9 wherein said asset is equity.

11. The novel account of claim 9 wherein said security is a debt instrument.

12. The novel account of claim 11 wherein said payment stream comprises coupon payments for said debt instrument.

13. The novel account of claim 10 wherein said lower effective conversion price is accomplished by a callspread option on said equity.